

PREET BHARARA
United States Attorney for the
Southern District of New York
By: MATTHEW L. SCHWARTZ
JOSEPH N. CORDARO
Assistant United States Attorneys
86 Chambers Street
New York, New York 10007
Tel.: (212) 637-1945, 2745
Fax: (212) 637-2750
E-mail: matthew.schwartz@usdoj.gov
joseph.cordaro@usdoj.gov

HEARING DATE: November 19, 2009
TIME: 10:00 AM

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

----- x
IN RE: Chapter 11

DELPHI CORPORATION, *et al.*, Case No. 05-44481 (RDD)

Debtors. (Jointly Administered)
----- x

**UNITED STATES OF AMERICA'S RESPONSE TO
DEBTORS' OBJECTION TO THE CLAIM OF THE
INTERNAL REVENUE SERVICE (CLAIM NO. 16504)**

The United States of America (the "Government"), by its attorney Preet Bharara, United States Attorney for the Southern District of New York, respectfully submits this response to Debtors' Thirty-sixth Omnibus Objection Pursuant to 11 U.S.C. § 502(b) and Fed. R. Bankr. P. 3007 to (I) Modify and Allow Claim and (II) Expunge Certain (A) Duplicate SERP Claims, (B) Books and Records Claims, (C) Untimely Claims, and (D) Pension, Benefit, and OPEB Claims (the "Objection"), dated October 15, 2009, to the extent that the Debtors object to the claim of the Internal Revenue Service ("IRS"), listed on the Objection's Exhibit A as claim

number 16504 (the “IRS Claim”).¹ Debtors seek an Order, *inter alia*, modifying the IRS Claim and allowing it as a priority claim in the amount of \$49,248.00.

Debtors characterize the IRS Claim as filed as an unsecured priority claim in the amount of \$73,741.57. *See* Objection, Ex. A. In fact, the IRS Claim is an administrative claim against Delphi in the amount of \$73,741.57 for corporate income taxes for the tax year 2005. *See* Request for Payment of Internal Revenue Taxes dated Jan. 17, 2007, annexed hereto as Exhibit A. *See id.* The IRS has reviewed Debtors’ tax records and has determined that the IRS Claim embraces both pre-petition and post-petition tax liability, and thus should be modified and allowed as a priority claim against Delphi² in the amount of \$49,248.00, reflecting 2005 pre-petition corporate income tax liability.

In light of the foregoing, the parties are engaging in discussions concerning a resolution of Debtors’ Objection to the IRS Claim. The Government respectfully requests an adjournment of the hearing on Debtors’ Objection to the IRS Claim in order to allow time for completion of these discussions and entry into a stipulation.

¹ Pursuant to agreement between counsel for Debtors and the Government, the deadline for the Government to file this response was extended to November 16, 2009, at 4:00 p.m.

² Exhibit F to Debtors’ Objection sets forth the formal name of the Debtor entity and its associated bankruptcy case number referenced in the portion of the objection pertaining to the IRS Claim.

Dated: New York, New York
November 16, 2009

Respectfully submitted,

PREET BHARARA
United States Attorney for the
Southern District of New York
Attorney for the United States of America

By: /s/ Joseph N. Cordaro
MATTHEW L. SCHWARTZ
JOSEPH N. CORDARO
Assistant United States Attorneys
86 Chambers Street
New York, New York 10007
Tel.: (212) 637-1945, 2745
Fax: (212) 637-2750
E-mail: matthew.schwartz@usdoj.gov
joseph.cordaro@usdoj.gov